

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 AID-05 COME-00 EB-07 FRB-03

TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01

STR-04 /089 W

----- 016099

O R 011930Z JUL 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 0884

INFO AMEMBASSY BONN

AMEMBASSY MOSCOW

AMEMBASSY LONDON

AMEMBASSY ROME

USMISSION NATO

USMISSION EC BRUSSELS

AMCONSUL BORDEAUX

AMCONSUL LYON

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AMCONSUL STRASBOURG

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E.O. 11652: N/A

TAGS: PGOV, FR

SUBJECT: Giscard's monthly TV address June 30

SUMMARY. Giscard delivered his sixth monthly TV
address on the final day of the spring parliamentary
session and at the eve of the summer vacations.

CONFIRMING IN PASSING THAT LEGISLATIVE ELECTIONS WOULD NOT BE
HELD BEFORE 1978, HE OFFERED BRIGHTENED ECONOMIC NEWS:

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PRICE INCREASES HAVE BEEN HELD TO A 10 PERCENT ANNUAL

RATE DURING THE LAST THREE MONTHS, THE JANUARY-JUNE FOREIGN TRADE FIGURES SHOW A NET SURPLUS, AND A LIKELY UPTURN IN THE US ECONOMY MAY PROMISE IMPROVEMENT HERE IN FRANCE. FOR THE FIRST TIME, GISCARD MENTIONED STATISTICS ON UNEMPLOYMENT, CITING THE 835,000 REGISTERED JOB SEEKERS NOW ON THE MARKET. THE POLITICAL TONE OF THE SPEECH WAS ADMONITIVE AS GISCARD CHARACTERIZED FRENCH POLITICAL LIFE AS "TOO STRAINED AND TOO VEHEMENT." END SUMMARY.

1. ECONOMIC ISSUES: GISCARD CLAIMED POSITIVE RESULTS FOR GOV POLICIES IN FOREIGN TRADE AND PRICE POLICY. THE GOVERNMENT GOAL FOR FOREIGN TRADE--TO REACH A BALANCE BY THE END OF 1975--HAS ALREADY BEEN EXCEEDED, WITH THE PERIOD JANUARY 1-MAY 30 SHOWING A NET SURPLUS. COMMENT: THE SURPLUS IS MORE ATTRIBUTABLE TO DEPRESSED IMPORTS THAN TO EXPANDED EXPORTS. END COMMENT. DURING THE LAST QUARTER, PRICE RISES CORRESPONDED TO THE 10 PERCENT ANNUAL RATE WHICH GISCARD HAD CLAIMED AS HIS GOAL IN THE APRIL 23 FIRESIDE CHAT (REF PARIS 10475). ADMITTING THAT THE LEVEL OF ECONOMIC ACTIVITY HAS SLOWED DOWN, HE CLAIMED THAT SEASONALLY ADJUSTED FIGURES SHOW 835,000 JOB SEEKERS CURRENTLY ON THE MARKET. COMMENT: THESE FIGURES CONTRAST ONLY SLIGHTLY WITH THOSE CLAIMED BY THE OPPOSITION UNION OF THE LEFT (850,000).

2. HOPES FOR A BRIGHTER ECONOMIC FUTURE: GISCARD OFFERED A MORE CANDID THAN USUAL ASSESSMENT OF FRENCH ECONOMIC INTERDEPENDENCY AS HE POINTED OUT THAT:

- THE FRENCH ECONOMY MAY BE FAVORABLY AFFECTED BY THE REPORTED UPTURN OF THE US ECONOMY;
- THE GOVERNMENT WILL CONDUCT A STUDY OF THE FRENCH ECONOMY BY THE END OF JULY AND WILL TAKE ADVANTAGE OF THE REGULAR JULY SUMMIT MEETING WITH THE FRG TO SEE WHAT CONCERTATION AND COORDINATION WITH THE FRG ARE REQUIRED.

ON THE DOMESTIC SIDE, GISCARD POINTED TO APRIL'S DECISION TO OFFER INCENTIVES TO PRODUCTIVE INVESTMENT AND CLAIMED THAT THE EFFECTS ARE ALREADY BEING FELT.

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3. THE PARLIAMENTARY SESSION: AFTER REMINDING THE FRENCH OF THE IMPORTANT REFORMS PASSED BY THE PARLIAMENT DURING THE SPRING SESSION (REFORM OF THE BUSINESS TAX, LIBERALIZATION OF THE DIVORCE LAWS, STATE INSURANCE FOR CHILD-SUPPORT PAYMENTS, THE EXPANSION OF SOCIAL SECURITY COVERAGE TO ALL FRENCHMEN, EDUCATIONAL REFORM), GISCARD TOOK NOTE OF PARLIAMENTARY IRRITATION WITH THE GOVERNMENT'S RAPID PACE AT THE END OF THE SESSION. IN

ORDER TO PLAN NEXT YEAR'S PARLIAMENTARY AGENDA, GISCARD WILL MEET WITH PRIME MINISTER CHIRAC AND THE PARLIAMENTARY LEADERS ON JULY 11 COMMENT: RELATIONS WITH THE PARLIAMENT HAVE BEEN DIFFICULT FOR THE ELYSEE RECENTLY; WHILE THE GOVERNMENT HAS BEEN ABLE TO PASS ALL OF ITS PROPOSED REFORM, THE LACK OF TIME FOR PARLIAMENTARY CONSIDERATION OF GOVERNMENT BILLS AT THE END OF THE TERM AND TIGHT MAJORITY DISCIPLINE HAVE MADE THE NATIONAL ASSEMBLY FEEL THAT ITS PREROGATIVES HAVE BEEN DENIGRATED BY THE MATIGNON AND ELYSEE. EVEN MAJORITY DEPUTIES ARE ANGRILY TALKING ABOUT BEING TAKEN FOR GRANTED. IF GISCARD AND CHIRAC CAN OPEN A DIALOGUE WITH THE PARLIAMENT, THEY WILL HAVE TAKEN A LONG STEP TOWARDS DEFUSING THE SITUATION.

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4. POLITICS -- A TIME TO RELAX? GISCARD WAS LOGICAL,
CHIDING AND VERY FRENCH AS HE CHARACTERIZED POLITICAL
DEBATE IN FRANCE TODAY AS STRIDENT AND TENSE. THE
PRESIDENTIAL ELECTIONS ARE PAST AND A SEVEN-YEAR MAN-
DATE HAS BEEN DELIVERED; THE MUNICIPAL ELECTIONS WILL
COME IN 1977 AND THE LEGISLATURES ONLY IN 1978 -- WHY
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THEN, HE ASKED, THE USELESS AND UNPRODUCTIVE TENSION IN
POLITICAL LIFE WHEN FRANCE SHOULD BE FACING AT LEAST
TWO YEARS OF CALM? WITHOUT OFFERING ANY PARTISAN
ANALYSIS, GISCARD ANNOUNCED THAT HE WOULD TAKE ACTIONS
IN THE FALL TO ATTEMPT TO RELAX POLITICAL LIFE AND
REPEATED HIS CALL FOR A LIBERAL, ADVANCED SOCIETY AND A
MORE RELAXED APPROACH TO RESOLVING DOMESTIC PROBLEMS.

5. COMMENT AND CONCLUSIONS: GISCARD FOUND, FOR THE
SIXTH TIME, THE RIGHT NOTE TO STRIKE FOR THE FRENCH.
HE OFFERED A BIT OF GOOD ECONOMIC NEWS, TOLD THE
FRENCH THEY WOULDN'T HAVE TO THINK ABOUT ANYTHING
FURTHER UNTIL THE FALL AND SUGGESTED THEY GO OFF TO THEIR
SUMMER VACATIONS WITH AN UNTRROUBLED MIND. FRANCE HAS
VACATIONS ON ITS MIND AND NO REAL WILLINGNESS TO LISTEN
TO TOUGH POLITICAL TALK FROM THE OPPOSITION. WHILE
OPPOSITION LEADERS WILL CONTINUE THEIR ATTEMPTS TO
WARN OF THE EXTENT AND APPARENT INTRACTABILITY OF
FRENCH ECONOMIC PROBLEMS DURING THE SUMMER LULL, GISCARD'S
SPEECH CAPTURED HIS COUNTRYMEN'S FEELINGS, AND
SERVED NOTICE THAT THE HARD DECISIONS AND THE BAD NEWS
WILL NOT COME BEFORE THE FALL.

6. AS USUAL, GISCARD'S MONTHLY TELEVISION CHAT WAS
AIMED AT THE ORDINARY FRENCHMEN IN THE PROVINCES AND NOT
AT THE PARISIAN INTELLECTUALS. THE LATTER WILL FAULT HIS
TALK FOR A VARIETY OF REASONS. CONSERVATIVES WILL
CRITICIZE HIM FOR TEMPTING FATE BY BOASTING ABOUT THE
ABSENCE OF SOCIAL TROUBLE DURING THE PAST YEAR DESPITE
PREDICTIONS TO THE CONTRARY. PROGRESSIVE ELEMENTS WILL
SAY THAT GISCARD'S CONSTANT TALK ABOUT ECONOMIC STUDIES
MERELY PROVE THAT HE IS JUST TINKERING WITH FRANCE'S

ECONOMIC PROBLEMS AND NOT TAKING THE NECESSARY IN-DEPTH
MEASURES. BUT EXPERIENCE AND THE OPINION POLLS INDIC-
ATE THAT GISCARD'S TECHNIQUE IS HELPING BUY TIME
BECAUSE THE GENERAL POPULATION APPARENTLY CONTINUES TO
BE PLEASED AND CONFIDENT.

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